Ohio Legislative Service Commission

Jeffrey R. Kasler

Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 238 of the 128th G.A. **Date**: May 5, 2010

Status: As Reported by Senate Judiciary Civil Justice **Sponsor**: Rep. Harwood

Local Impact Statement Procedure Required: No — Not required in the As Introduced version

Contents: Disclosure of assets;, modification of a division or distribution of property; Putnam County judgeships; life insurance coverage for municipal and county court judges; firearm notification in domestic violence cases; Chardon, Lyndhurst, and Miamisburg Municipal Court judges; and fees for performing a marriage ceremony

State Fiscal Highlights

STATE GOVERNMENT	FY 2011*	FY 2012 – FUTURE YEARS
General Revenue Fund (GRF)		
Revenues	- 0 -	- 0 -
Expenditures	Estimated $4,666 decrease related to Putnam County judgeship changes	Estimated $9,333 annual decrease related to Putnam County judgeship changes

Note: The state fiscal year is July 1 through June 30. For example, FY 2011 is July 1, 2010 – June 30, 2011.

* Effective January 1, 2011, two part-time judgeships in Putnam County are abolished and replaced by one full-time judgeship.

- **Putnam County judgeships.** As a result of replacing two part-time judgeships with one full-time judgeship in Putnam County, the amount that the Supreme Court of Ohio disburses in related GRF payroll expenditures will decrease by an estimated $9,333 annually. As this change actually begins roughly halfway through the state's FY 2011 (January 2011), the decrease in that fiscal year will be a portion of that estimated annual amount, or approximately $4,666.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2010 – FUTURE YEARS
Courts of Common Pleas	
Revenues	- 0 -
Expenditures	Minimal annual effect
Putnam County (judgeship)	
Revenues	- 0 -
Expenditures	Starting in FY 2011, estimated $10,958 annual decrease related to judgeship changes
Certain Counties and Municipalities	
Revenues	Potential, at most minimal, annual gain in marriage ceremony fees
Expenditures	Potential, at most minimal, annual increase for life insurance coverage

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Asset disclosure.** As a result of the bill's asset disclosure provisions, the court may be able to make more informed decisions in a timelier manner than might otherwise have been the case under current law and practice. In theory, such an outcome reduces the amount of time and effort expended on certain matters and generates some form of operational savings, the potential magnitude of which is likely to be no more than minimal.
- **Property division.** The potential resulting effect of the bill's property division provisions would be an increase in the time and effort expended by the court to modify certain property division orders. From a fiscal perspective, the associated cost to the court is likely to be no more than minimal.
- **Putnam County judgeships.** Starting in January 2011, the annual salary and related payroll expenses for changing the judgeships of Putnam County from two part-time county judges to one full-time municipal court judge will save the county an estimated $10,958 per year.
- **Marriage ceremony fees.** Certain counties may gain revenue, as county court judges would no longer be permitted to retain their marriage ceremony fees. That potential revenue gain for certain counties will likely be no more than minimal annually.
- **Life insurance.** For those political subdivisions currently offering life insurance, the potential costs to cover a municipal or county court judge are expected to be, at most, minimal annually.

Detailed Fiscal Analysis

Asset disclosure

Courts of common pleas

The bill's asset disclosure provisions, in theory, provide a way for the court to have better or more accurate information for making decisions, and may decrease the amount of time and effort the court expends on a given divorce or legal separation proceeding. From a fiscal perspective, this creates a potential savings effect, the magnitude of which in terms of budgetary dollars and cents is difficult to precisely estimate. That said, the potential savings for any affected court is likely to be minimal at most, if that.

Divorce or legal separation proceedings fall under the subject matter jurisdiction of a court of common pleas. Based on information provided by staff of the Judicial Conference of Ohio, LSC fiscal staff has discerned the following:

- Most courts have local rules requiring the disclosure of assets and their penalties for nondisclosure are generally weak.
- The general sanctions for discovery violations under the Ohio Rules for Civil Procedure are cumbersome and often ill suited to divorce or legal separation proceedings.
- The number of spouses initiating divorce or legal separation proceedings without an attorney is rising.

Property division

Courts of common pleas

The purpose of the bill's property division provisions is to provide the court with the authority to address problematic circumstances[1] that arise during the division or distribution of property. Based on information provided by staff of the Judicial Conference of Ohio, the potential resulting effect would be an increase in the time and effort expended by the court to modify certain property division orders. From a fiscal perspective, the associated cost to the court is likely to be no more than minimal.

Under current law, the court of common pleas does not currently maintain continuing jurisdiction over property division orders set forth in a divorce decree or dissolution of marriage. It appears that the condition of the real estate market has been such that these property division orders have become difficult to execute fairly or at all.

[1] An example of a "problematic circumstance" includes situations where a house will not sell or the purchaser cannot get a mortgage.

Putnam County judgeships

Effective January 1, 2011, the bill abolishes the Putnam County County Court and its two part-time judgeships and creates the Putnam County Municipal Court with one full-time judgeship.

As detailed in the table below, the abolition of the two existing part-time Putnam County County Court judgeships and the creation of one full-time judgeship in the Putnam County Municipal Court will produce a net annual decrease in payroll-related expenditures for both the state and Putnam County. The total annual decrease is estimated at $9,333 for the state and $10,958 for Putnam County.

Comparison of State and Local Payroll Cost Components for Putnam County Judgeship Changes						
Payroll Cost Components	State			Putnam County		
	Full-time*	Part-time*	Difference	Full-time*	Part-time*	Difference
Salary	$52,350	$60,300	-$7,950	$61,750	$71,000	-$9,250
PERS	$7,329	$8,442	-$1,113	$8,645	$9,940	-$1,295
Other	$1,771	$2,041	-$270	$2,747	$3,160	-$413
Totals	**$61,450**	**$70,783**	**-$9,333**	**$73,142**	**$84,100**	**-$10,958**

***** Cost comparison is between one full-time municipal court judgeship being created and two part-time county court judgeships being abolished.

Payroll-related costs

The payroll-related costs associated with municipal and county court judgeships can be viewed as having the following three distinct components:

(1) A base salary consisting of a local and state share that is determined by statute, with the state share equal to the annual salary minus the local share;

(2) Membership in the Public Employees Retirement System (PERS), with the state and Putnam County contributing at the rate of 14.0% of their respective shares; and

(3) Other administrative costs, including, but not limited to, Medicare and workers' compensation.

Other costs

Based on conversations with local officials familiar with this issue, it appears that Putnam County may incur a minimal one-time cost to replace its existing county court with a municipal court.

Chardon, Lyndhurst, and Miamisburg judgeships

The bill changes the status of the judges of the Chardon, Lyndhurst, and Miamisburg municipal courts from part-time to full-time to codify the fact that, pursuant to the territorial population threshold in R.C. 141.04(A)(5), each of those judges is already paid as if they were full-time municipal court judges. Thus, this status change has no state or local fiscal effects.

Marriage ceremony fees

The bill: (1) prohibits a county court judge from retaining a fee for performing a marriage ceremony, and (2) requires a county court judge to transmit any such fees to the general fund of the county. Current law permits a county court judge to retain a fee for performing a marriage ceremony.

Apparently, actual practice varies from place to place in that some county court judges retain their marriage ceremony fees, while others forward their ceremony fees for deposit in the county treasury. As a result of this prohibition, certain counties may gain revenue, as county court judges would no longer be permitted to retain their marriage ceremony fees. That potential revenue gain for certain counties will likely be no more than minimal annually.

Life insurance eligibility

The bill restores the eligibility of a municipal or county court judge for life insurance from a county or other political subdivision. LSC fiscal staff has learned that some political subdivisions currently offer life insurance coverage, while others do not. For those political subdivisions currently offering life insurance, the potential costs to cover a municipal or county court judge are expected to be, at most, minimal annually.

Firearm notifications

To comport with federal law, the bill: (1) removes the statutorily required notice regarding possessing or purchasing a firearm when subject to certain nondomestic violence protection orders, and (2) modifies the notice requirements regarding possessing or purchasing a firearm when subject to a domestic violence-related temporary protection order. Such notices are currently provided as an insert with all civil and criminal domestic violence protection orders issued in the state. Local trial courts are currently able to download these notices from the Supreme Court of Ohio web site. The cost for the state and any of its political subdivisions to implement these notification changes will be negligible.

HB0238SR.docx / lb